Comments received from NiSource Pipelines, John D. Shelton, Manager, Engineering Services

Pursuant the Energy Information Administration's ("EIA") request for comment published in the Federal Register on March 7, 2005 (70 Fed. Reg. 10,997), Columbia Gas Transmission Corporation, Columbia Gulf Transmission Company, Granite State Gas Transmission, Inc. and Crossroads Pipeline Company (hereinafter "NiSource Pipelines) hereby submit comments regarding one aspect of Form EIA-191, "Monthly and Annual Underground Gas Storage Report." Specifically, NiSource Pipelines are responding to the following questions posed in General Issue C: "Are the instructions and definitions clear and sufficient? If not, which instructions need clarification?"

NiSource Pipelines request clarification of the term "maximum deliverability (Mcf/day)" currently used in Form EIA-191 to ensure it is consistent with the instruction for Auxiliary Peaking Facilities, column (c), on page 519 of FERC Form No. 2. This instruction requires operators of underground storage projects to "report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted". The definition of this term in Form EIA-191 and FERC Form No. 2 should be consistent because pipeline operators that currently complete a FERC Form No. 2 already are providing data in compliance with this definition.

Clarification is necessary to prevent EIA from receiving inconsistent data. For example, data could be submitted based on the definition of "maximum deliverability (Mcf/day)" published in AGA's Underground Storage of Natural Gas which provides that "the maximum daily volume of gas planned to be available for delivery on a design day basis using current facilities (e.g., well, pipeline, compression, metering, dehydration) and taking into account other operational constraints. (This is not tied to a specific date.)" Without clarification, some storage operators may report a beginning of the season deliverability, while others may report a volume tied to their specific tariff. EIA's aggregation of storage data without clarifying the definition of "maximum deliverability (Mcf/day)" could result in inaccurate estimates of the volumes of natural gas U.S. storage industry is capable of delivering.

In view of the foregoing, NiSource Pipelines request that EIA clarify that the term "maximum deliverability (Mcf/day)" used in Form EIA-191 has the same definition as the instruction for Auxiliary Peaking Facilities, column (c), on page 519 of FERC Form No. 2. Clarifying this term will ensure that accurate and reliable data is made available to the public.

Comments received from American Gas Association; **Christopher B. McGill, Managing**

Director, Policy Analysis

The Energy Information Administration is soliciting comments on the proposed revision and three-year extension of the surveys in the *Natural Gas Collection Program Package.* Specifically, the American Gas Association directs comments to the "Monthly and Annual Liquefied Natural Gas (LNG) Storage Report."

Liquefied natural gas (LNG) transported by ship to large-scale regasification terminals can serve as baseload supply for natural gas consumers. However, LNG also serves as a high deliverability (albeit relatively small volume) pipeline gas supplement, meeting critical load requirements at critical moments, particularly during peak demand periods. In this important role, it is dispatched from numerous LNG peaking facilities that store gas in a liquid form until it is gasified and directed into the interstate or local pipeline or distribution system for consumption. During the course of a winter heating season (November-March), LNG facility utilization is often measured in days or hours not weeks or months.

The total storage capacity of LNG peak-shaving facilities used to meet seasonal needs in the U.S. is about 100 billion cubic feet (Bcf) equivalent and is small when compared to the underground storage working gas inventory of 3.2 trillion cubic feet or more and other sources of supply such as domestic production and pipeline gas imported from Canada. LNG stored for the purpose of meeting peak hour or peak day requirements is generally the last source of natural gas dispatched. It can, however, be a crucial source of gas for meeting short-term system reliability requirements.

For the second time in two years, the Energy Information Administration (EIA) has proposed to collect data from LNG peaking facilities, with the most recent announcement requiring operators to provide information about facility design capabilities annually through Form EIA-913 and to respond to monthly telephone surveys about current LNG inventory levels during the winter heating season. The survey would not likely begin until calendar year 2007. The AGA position on the proposed LNG survey has not changed significantly from the first set of comments filed in November 2003.

As a representative of local natural gas utilities, the American Gas Association (AGA) submits these comments on the EIA proposal to survey LNG peaking facilities from the perspective of whether such a survey has utility to the energy information consuming public, whether it improves understanding of gas markets and whether it is fair to the companies required to report the data. AGA represents companies with 53 peak shaving plants and a total LNG storage capacity of approximately 15 million barrels. This is approximately 60% of the LNG storage in the U.S. reported to the Department of Transportation, Office of Pipeline Safety.

Comments

AGA does not support EIA's proposal to establish an annual and monthly reporting requirement for LNG facilities operators, primarily because the surveys (1) would not provide information that would enhance a critical understanding of market dynamics, (2) may competitively disadvantage local gas utilities that operate LNG facilities, and (3) would impose new administrative burdens on local gas utilities.

On an annual basis, LNG of all origins accounts for less than four percent of natural gas consumed in the U. S. On a peak day it may account for five percent of gas supplied to consumers, so it is a marginal supply source. As such, a monthly inventory of LNG facilities would describe a net change in LNG volumes but would offer no information about utilization and, in fact, would be highly susceptible to misinterpretation by the market. Its impact as a peak-period supply source would be lost in the monthly accounting and annual inventory data; for example, comparing data from the same period to a year prior will not provide meaningful information about market conditions. Elements such as liquefaction capability rates that impact the ability for some facilities to refill the LNG inventory and the economic choices made to use an existing inventory during a peak-period would not be reflected in aggregated inventory volumes. AGA believes that a volatile market with limited capability to interpret data from what is only a small fraction of a total gas supply portfolio may only contribute to needless additional price volatility for natural gas consumers.

For local gas utilities that must purchase LNG for storage, data regarding inventories is sensitive, proprietary information and should be treated as confidential. In no way should individual company data be made public. To do so would potentially subject consumers to the exercise of market power and higher gas costs. For example, if the EIA reported a "lower than expected" volume of LNG in storage after concluding a monthly survey of inventories, prices could spike on this insubstantial information. Moreover, since there is a concentration of peaking facilities in areas like the northeast, even the publication of regional data can be sensitive to companies trying to function in the LNG market. Unlike large underground storage fields that tend to fill over a scheduled period of time then draw down based on seasonal requirements, some LNG peaking facilities can be drawn down then refilled quickly (generally through truck cargos). General knowledge of facility inventories could put the companies (and their customers) searching for LNG (or other gas supplies) at a competitive disadvantage with suppliers and other facilities searching for the same supplies.

Similarly, LNG peak-shaving facility operators will be at a particular disadvantage if design capability information reported in EIA form 913 is available to the general public, as proposed in the NOPR. With that information, prospective suppliers may be able to gauge how much LNG a particular operator needs and the time period in which it will have to obtain it. If EIA must conduct a survey of LNG peak-shaving facility capabilities and monthly surveys of inventories, all information should (1) be physically and electronically protected, (2) be available, even in aggregated form, only to specific parties within the Federal government who have both a legitimate and convincing need-to-know and appropriate security clearances, and most importantly, (3) be exempt from disclosure under the FOIA.

AGA also has concerns about the administrative burden that the proposed reporting requirements would impose on its membership. Although the cost of completing a single survey is rarely high, in the aggregate, the reporting requirements imposed on local distribution companies create significant administrative costs. We recommend against adding to that cost, particularly since the report in question will provide little added value.

AGA appreciates EIA's commitment to collecting additional information, which may impact natural gas markets. AGA also recognizes EIA's effort to reduce reporting requirements. For the foregoing reasons, however, we do not believe that data collected on LNG inventories will have the impact that

is anticipated. Accordingly, we encourage EIA to consider carefully whether the data collected will clearly improve the understanding of natural gas supply in the U.S. If EIA does move forward with the LNG survey and publication of results, it must ensure the confidentiality of the submitted information.

AGA is grateful for the opportunity to comment on the Energy Information Administration's proposal to collect LNG inventory data.

Comments received from KeySpan Delivery Companies, Kenneth T. Maloney, Esq. and Christopher M. Heywood, Esq.

The KeySpan Delivery Companies ("KeySpan") hereby submit their comments in response to the Energy Information Administration's ("EIA") proposal to revive Form EIA-913, "Monthly and Annual Liquefied Natural Gas (LNG) Storage Report ("Form EIA-913.")1 In 2003, the EIA proposed to use Form EIA-913 to collect data on the inventory levels and operational capacity of active LNG storage facilities in the United States, but ultimately determined not to implement its proposal at that time. Instead, EIA committed to monitor the LNG market and reevaluate the usefulness of a LNG storage survey at a later date. In its current proposed revision and three-year extension of the surveys in the National Gas Data Collection Program Package, EIA again proposes to conduct LNG storage surveys using Form EIA-913.2 EIA's current proposal is to conduct the survey seasonally and to monitor monthly storage levels from September through March.

KeySpan believes that the data derived from EIA's proposed collection of LNG storage data will have little value. As a general matter, the amount of LNG storage, even considering its expected growth, is just a fraction of the total underground storage and data concerning such storage is subject to manipulation and misinterpretation. Therefore, KeySpan generally does not support EIA's data collection proposal. However, if EIA does choose to proceed with the collection of LNG data, KeySpan would suggest the changes and clarifications to Form EIA-913 discussed below. KeySpan has conformed its submission to the guidelines provided for Comments.

General Issues

A. Is the proposed collection of information necessary for the proper performance of the functions of the agency and does the information have practical utility?

The proposed collection of LNG storage information will not help EIA in the performance of its functions, and has little practical value. The stated purpose of the Natural Gas Data Collection Program, of which Form EIA-913 is a part, is to "support public policy analyses of the natural gas industry [and to provide] estimates generated from data collected on these surveys . . ."3 However, policy analyses and estimates drawn from LNG storage data will not reflect actual LNG usage as the data will not show how often facility has been cycled (filled and used), the data will only show how much LNG is stored at the beginning of each month. Therefore, any use of the data to predict the ability to meet actual or projected demand or market activity would be speculative. In fact, the analyses themselves could be manipulated as companies could simply fill LNG facilities to reflect the storage levels they wish to report. As a result, LNG storage reports could create needless price volatility and adverse market impacts. Therefore, the data to be collected by the proposed Form EIA-913 has little value.

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1 The KeySpan Delivery Companies ("KeySpan") are composed of: The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York; KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island; and Boston Gas Company, Colonial Gas Company, EnergyNorth Natural Gas, Inc., and Essex Gas Company d/b/a KeySpan Energy NE. The KeySpan Delivery Companies are also affiliated with KeySpan, LNG, which operates a large LNG storage facility in Providence, RI used in conjunction with local distribution.

2 Form EIA 913 is one of the surveys included in the National Gas Data Collection Program Package.

3 Request for Comments at 10998.

B. What enhancements can be made to the quality, utility, and clarity of the information to be collected,

Form EIA-913 Annual Survey

With regard to the annual form, the information proposed to be collected may not reflect the actual capabilities of a LNG facility. Specifically, EIA proposes to collect facilities' storage, liquefaction and vaporization design capacities, in addition to facilities' trailer unloading/loading capabilities and the number of related bays. However, design capacities may not equal actual capacities as, over time and depending upon the weather, performance may vary. Additionally, this information will not allow the EIA to determine whether these facilities are actually in service, or if needed resources are actually available to operate them. Therefore, the EIA may be collecting and analyzing LNG storage information which does not correlate to actual delivery capability, potentially creating market distortions. The annual survey must reflect actual working capacities.

Form EIA-913 Monthly Survey

With regard to the monthly survey, KeySpan urges the EIA to reconsider conducting the survey via the telephone. Instead of "increase[ing] the timeliness of product dissemination and reduc[ing] respondent burden,"4 relying upon the telephone will make the survey more cumbersome and subject it to additional human error and delay. To make the survey more accurate, timely, user-friendly, and to provide a record in case of error, KeySpan would suggest that the EIA instead use the internet to collect the needed information. Specifically, KeySpan would prefer to send the needed information via electronic mail to designated EIA addresses, or, most preferably, to enter the information into a website using a secure user identification and password.

Confidentiality of Information Submitted Pursuant to Form EIA-913

Without detailing a basis for the distinction, EIA proposes to treat only the information submitted pursuant to the monthly survey as confidential.5 KeySpan believes that this distinction is extremely problematic as failure to treat information provided under both the annual and monthly surveys as confidential may present significant security issues and put respondents at a competitive disadvantage. Therefore, to ensure the highest level of confidentiality, KeySpan believes that all information submitted pursuant to Form EIA-913 should be provided pursuant to the Confidential Information Protection and Statistical Efficiency Act of 2002 ("CIPSEA"). KeySpan believes that the strict information control regulations under CIPSEA provide much greater security for the privileged and confidential information EIA seeks to collect than EIA's existing confidentiality provisions.

Additionally, EIA's proposal to aggregate data from respondents on a multi-state regional basis is insufficient.6 Information provided pursuant to Form EIA-913 should only be made public on an

4 Request for Comments at 10999.
5 Request for Comments at 11000.
6 Request for Comments at 11000.

aggregated basis in a manner in which information is collected from both enough respondents and over an area sufficient to prevent identification of any single respondent. For example, KeySpan is by far the largest operator of LNG storage facilities in New England and New York.7 Therefore, any "Northeastern United States" LNG storage data would clearly reflect KeySpan's LNG storage levels, potentially creating competitive disadvantages. KeySpan would suggest that EIA consider using the geographical compilation currently used in its weekly underground storage report, *i.e.* Consuming Region East, Consuming Region West and Production Region.

Issues for Potential Respondents

A. Would burden be reduced if applicable data were collected in Btu (heat content) rather than Mcf basis (volumetric)?

The burden of responding to the data requests in Form EIA-913 would be substantially less if data were reported by heat content rather than on a volumetric basis. LNG volume does not reflect the regional and processing variations which affect the actual energy contained in stored LNG. LNG's actual heat content provides the best indication of available energy on a normalized basis. Therefore, data based on heat content is more quickly and easily compared than data reported volumetrically. Additionally, the burden would be further reduced if EIA substituted Dekatherm units ("Dth") for BTU's, as Dth units are more commonly used throughout the gas industry.

B. Would burden be increased if EIA adopted a standard mandatory revision rule for its natural gas surveys requiring resubmission of data for revisions greater than 4 percent?

As more fully explained in response to Question D below, KeySpan believes that by simply moving the due date back by a few days, the potential for needed revisions of submitted data would be significantly diminished. However, to the extent that EIA determines that resubmissions are necessary for revisions greater than 4 percent, a respondent's burden will increase only to the extent required to inform EIA of the revision. Of course, any resubmissions of revised data must be treated with the same confidentiality as original submissions.

C. Are the instructions and definitions clear and sufficient? If not, which instructions need clarification?

KeySpan believes that the instructions and definitions provided are clear and sufficient.

D. Can the information be submitted by the due date?

EIA proposed to contact respondents to obtain the required data "on the first Monday of the month or the first business day after the first Monday of the month in the event of a holiday."8 KeySpan believes that the proposed due date is problematic. Many companies, including KeySpan, actually

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7 KeySpan operates 13 LNG peak shaving facilities including over 7 Bcf total storage capacity with a vaporization capacity in excess of 900 MMscf/day. As such, KeySpan owns and operates the largest LNG resource portfolio of any LDC in the country.

8 Request for Comments at 11000.

begin the process of collecting and reconciling the data which EIA proposes to collect for internal purposes on that date. This means that the most accurate data is available only several days later. Therefore, KeySpan would suggest that the fourth business day of the month would be most appropriate.

E. Is the reporting burden for Form EIA-913 accurate?

Not necessarily. Companies which operate a large number of LNG storage facilities, like KeySpan, will need to invest more time. However, the time required to comply with Form EIA-913 is somewhat mitigated by the fact that many companies compile the requested data in the due course of business, and that is why, as explained in Question D above, it is important that the due date be moved to the fourth business day of the month.

F. Will a respondent incur any start-up costs for reporting, or any recurring annual costs for operation, maintenance, and purchase of services associated with the information collection?

Aside from embedded staff costs associated with filling out the annual survey and submitting the monthly survey, KeySpan does not anticipate additional costs associated with reporting LNG storage data pursuant to Form EIA-913.

G. What additional actions could be taken to minimize the burden of this collection of information?

Other than those stated above, KeySpan has no further suggestions regarding minimizing the burden associated with complying with Form EIA-913.

H. Does any other Federal, State, or local agency collect similar information?

No. KeySpan only reports LNG storage data to the Massachusetts Department of Telecommunications and Energy every three years as part of its five-year forecast.

Comments received from Willston Basin Interstate Pipeline Co., Keith A. Tiggelaar, Director of Regulatory Affairs

Williston Basin Interstate Pipeline Company (Williston Basin or Company) thanks you for the opportunity to comment on the proposed revisions and three-year extension under Section 3507(h)(1) of the Paperwork Reduction Act of 1995 of the surveys in the Natural Gas Data Collection Program Package. Williston Basin is commenting on the proposed revisions to forms EIA-191, EIA-176, EIA-912 and EIA-857 for which it currently must submit information. Williston Basin has the following comments specifically regarding form EIA-191A (annual report):

EIA-191A

Williston Basin objects to the EIA's proposed release of the data collected in form EIA-191A for the following reasons:

1) Release of the field specific information, in particular the Working Gas Capacity information that is being proposed to be added to the EIA-191A report, could allow shippers and other interested parties to second guess how Williston Basin operates its storage fields and its transmission system. This could harm the very flexibility and enhanced aggregate storage capabilities that were envisioned over eleven years ago when Williston Basin requested, and the FERC approved, its aggregate storage services. Williston Basin strongly believes that EIA should not release its field specific storage information as such release could jeopardize Williston Basin's ability to provide its current storage services.

2) Release of the field specific information contained in the EIA-191A report would allow competitors the opportunity to access non-public Company storage information (Working Gas Capacity) resulting in substantial harm to the Company's competitive position. The gas industry is in an increasingly competitive market, and in this competitive market, field specific storage information may provide a competitor with information that could diminish Williston Basin's storage and transportation business, or this information could provide shippers the leverage to require Williston Basin to discount its transportation and/or storage rates more steeply. Further, aggregate storage information is currently on public record in other sources. For instance, Williston Basin is required to report aggregate monthly, quarterly, and annual natural gas storage quantities, as well as its working gas end of year balance, in its FERC Form 1l, 3 and 2 reports. These reports are in the public record and, thus, are available to others. In addition, Williston Basin makes its aggregate working gas capacities public information and posts these balances on its Website monthly. Williston Basin strongly believes that the release of its field specific storage information would provide competitors with an unfair advantage, and it should not be released.

EIA-176, EIA-912 and EIA-857

Williston Basin has no comments to the minor changes proposed in these three reports.

Williston Basin appreciates the opportunity to provide its concerns regarding the release of field specific information, in particular the Working Gas Capacity information that is being proposed to be added to the EIA-191A report.

Comments received from American Public Gas Association, Bert Kalisch, President and CEO

Pursuant to the notice of the Energy Information Agency ("EIA") appearing in the Federal Register on March 7, 2005, 70 F.R. 10997 ("March 7 Notice"), the American Public Gas Association ("APGA"')1 submits the following comments.

Overview of the Survey Proposal

As part of its review of the surveys included in its Natural Gas Data Collection Program Package, EIA is soliciting comments on the proposed new survey Form EIA-913, "Monthly and Annual Liquefied Natural Gas (LNG) Storage Reports." 70 F.R. at 10997. Entities subject to the survey would include "operators with LNG inventories such as distribution companies (LDCs), pipeline companies, liquefaction facilities, LNG wholesalers, and marine terminals providing peaking storage services" 70 F.R. at 11000.

Using a monthly telephone survey conducted each September through March, EIA plans to ask for a single data item, "the amount of LNG in storage as of the report date" 70 F.R. at 10999. The annual component of the EIA-913 survey will capture other data regarding LNG storage facilities as of each June 30th, including storage facility name, state location of the storage facility, storage facility design capacity, maximum liquefaction design capacity, maximum vaporization design capacity, trailer loading and unloading ability, number of bays and any changes in data from previous annual reports. *Id*

While monthly survey results will be treated as sensitive and proprietary, annual data will not be confidential. 70 F.R. at 11000. Generally, EIA plans to use the collected data to "develop national and regional level estimates for publication in the *Natural Gas Monthly (NGM), the Monthly Energy Review (MER)* and the *Natural Gas Annual (NGA).*" *Id.* EIA does not plan to release state level data. EIA asks potential respondents whether its natural gas surveys should in general be subject to a standard mandatory revision rule "requiring resubmissions of data for revisions greater than 4 percent." *Id.* APGA assumes that EIA would seek to apply this revision standard to the EIA-913.

EIA supports the need for this survey's inclusion in the Natural Gas Data Collection Program Package by stating that "LNG has an increasingly important role as a source of natural gas supply, especially during periods of peak demand." *Id*. EIA offers that the survey will not go forward unless Congress provides funds in the FY2007 budget. *Id.*

Response of Public Gas Systems to Proposed EIA-913

APGA has long encouraged reasonable methods of boosting the transparency of the natural gas markets, and in that regard has urged EIA to carry out its statutory mandate to collect data in order "to promote stability in energy prices to the consumer, promote free and open competition in all

1 Founded in 1961, APGA is the national, non-profit association of publicly-owned natural gas distribution systems, with approximately 600 members in 36 states. Overall, there are 950 municipally-owned systems in the U.S., serving nearly 5 million customers. Publicly-owned gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, thecitizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.

aspects of the energy field, prevent unreasonable profits within the various segments of the energy industry, and promote free enterprise." (15 U.S.C. 764(b)(5).) While APGA supports many of EIA's efforts to collect data, including the recent introduction of EIA's monthly natural gas production survey, APGA does not believe that the collection of the EIA-913 data, as distinguished from the collection of LNG import data,2 will foster transparency but rather will likely have the contrary effect for the reasons discussed below.

First, it is important to understand that though LDCs store LNG primarily for peak day purposes, operational and economic decisions about LNG storage vary widely from LDC to LDC. An LDC may build LNG storage capacity with long-term considerations in mind and make a reasonable business decision to keep it empty in the short-term. An LDC with significant storage capacity may keep large amounts of gas on hand at all times and draw down very little even in severe winter weather because prices make purchasing pipeline gas a more economic source for meeting peak day demands. Some LDCs have contractual arrangements with neighbors to provide LNG peaking supplies, so that an LDC could report LNG capacity on hand one month and then sell that amount to a neighboring LDC, which would report it as LNG storage inventory. EIA-913 as proposed is likely to produce an incomplete snapshot of gas supplies (that have already been counted in EIA's production survey or the U.S. Department of Energy's tallies of LNG imports) as those supplies flow unpredictably among LDCs along the interstate and intrastate pipeline systems.

A more serious flaw in the proposed form, which renders a simple inventory report meaningless, is the fact that LNG importers use storage for completely different purposes from LDCs. LNG importers are primarily using LNG storage as a temporary holding facility for LNG destined, regardless of month or season, to be regasified and moved as quickly as possible into the interstate pipeline grid. Thus, to aggregate LDC LNG storage numbers with imported LNG numbers will mix "apples and oranges" and produce a confusing and meaningless result. This confusion will be enhanced by the fact that the imported LNG numbers will likely dwarf the LDC LNG numbers, which means that while LDC LNG may be up in a given month, the EIA-913 data could show a sharp decrease due to the movement of gas continuously through the imported LNG facilities.

In light of the very different uses various industry segments have for LNG storage, the marketplace will most likely be unable to interpret the EIA-913 data in a meaningful fashion. There is also a great likelihood that the market will try to make connections between underground storage data and the EIA-913 data points. APGA sees potential for this type of reaction from the marketplace even if the EIA-913 data is only included in monthly and annual reports of overall supply and demand trends (such as the NGM, MER and NGA). EIA is certainly aware of the volatility associated with its underground storage report; imagine the volatility that would be caused by a report which treats LNG storage as a fungible item, when in point of fact it is not, and thus produces numbers which may mean the opposite of what is really happening at the LDC storage level.

Even if this obstacle could be overcome, and accurate LDC storage numbers produced separate and apart from the imported LNG numbers, given the *de minimis* amount of such storage nationwide and

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2 It is APGA's understanding that such LNG import data is collected by the Department of Energy's Office of Fossil Energy; APGA believes that this sort of data, which tracks an expanding sources of U.S. gas supply, is valuable and arguably should be collected on a more frequent basis.

its distintly different use vis-a-vis underground storage, it is a virtual certainty that the only persons that would benefit from such a report would be the speculators who thrive on market volatility. This is contrary to the EIA's mission of fostering market stability.

Finally, assembling this data may create a security risk for entities operating facilities that must be considered part of the nation's critical energy infrastructure. Admittedly, the tank locations are already known or knowable to the public and “evildoers” but the additional knowledge of the presence of LNG in those tanks may make a site a more attractive target. Although EIA does not plan to release site-specific data, the stored data is subject to computer-hacking and the scrubbed data, viewed in a series of EIA reports, could highlight the levels of product likely to be present at a given facility. In light of the absence of value in collecting such data, for the reasons noted above, the possibility that such data could be used by terrorists simply confirms that EIA should not expend money to collect such data.

Wherefore, for the reasons set forth above, APGA respectfully requests that EIA dedicate its available resources, and any resources it may receive as a result of future requests to Congress, to improving its current natural gas data products and the timely reporting of supply and demand data that will be both informative to market participants and effective in combating the price volatility that plagues today's natural gas market. APGA respectfully submits that the collection of LNG storage data is not in the public interest and therefore that the proposed EIA-913 survey form should be abandoned.

Comments received from Platts, William Townsend, Senior Director, Analytics Group

Our team here at Platts would like to thank you for the opportunity to provide comments on these important energy matters. Platts is the world's largest and most authoritative source of energy industry information and services with more than 100 years of experience and service to the energy industry.

Please note that the following comments reflect the opinions of the Analytics Group here at Platts. They do not necessarily reflect the opinions or views of other departments within Platts or The McGraw-Hill Companies.

We are making our comments as potential users of the information to be collected.

As to question A., **Is the information useful at the levels of detail to be collected?**

Form 176:

The data from the EIA Form 176 is useful at the levels currently collected

Form 191:

Data from the annual EIA Form 191 is very useful and the addition of "Working Gas Capacity will allow for a more clear picture of working gas storage capacity. Because so much capacity of a storage facility can be tied up in the base capacity, the sum of working gas capacity will allow for an understanding of the true amount of gas storage capacity available for actual use. Making the 191 non-confidential will provide transparency to the marketplace and enable market participants to more accurately make business decisions. Eliminating uncertainty in the market will certainly bring economic benefits to the end users.

Form 191A:

Currently data from the EIA Form 191 is not useful as these data are confidential. We would submit that unless these data are made public, there is no effect from the proposed changes. We would also submit that if data from this report were made public, the elimination of the "Pipelines to which this field is connected" would reduce the ability of the market participants to identify available storage facilities. If this data were available, market participants would not have to contact multiple storage facility companies in order to ascertain storage availability. Also, understanding how a storage facility is connected to the pipeline system is also critical to understanding the possible flow dynamics of the network. A storage facility can be located near multiple pipeline systems and understanding the dynamics of the system is a valuable tool.

Question B asks **"For what purpose(s) would the information be used? Be specific.**

We believe that our customers use all of these data in their aggregate as published in EIA's Natural Gas Monthly and the Weekly Storage Report. Given that the data published in Natural Gas Monthly lags the market by three months, we believe that our customers use this information to validate or correct their understanding of the market's supply and demand. They are looking at direction of trends and magnitude of change and interpreting these fundamental with respect to the market prices.

Information from the Form 176 is used by the energy industry to identify and analyze market area characteristics, economies, and inefficiencies in order to exploit opportunities for gains in market share and revenue. These data provide the bases for business decision making pertaining to entering new markets, redeployment of assets, the effects of regulation and deregulation on various market areas, and identifying underserved areas.

Form 191 data would be used both for internal analysis and also included in our database sales to outside clients. These data are useful for supply/demand analysis, price forecasting, hedging strategies, flow dynamics analysis, and capacity changes.

Form 857 data are used for supply/demand analysis, price forecasting, demand forecasting, and for identifying metrics for delivered gas by geographic region and heat content.

Form 895 data enable analysis of natural gas production in order to forecast prices, identify supply/demand imbalances through the calculation of production rates as a whole and seasonally.

Form 910 data can be used to analyze changes in market size for residential and commercial customers, identify trends in usage by geographic location, forecast changes in usage and help planners to adapt quickly and concisely to those changes thus creating maximum efficiencies for planning and execution of marketing strategies. Revenue data are also used to track market dynamics as pertains to the supply/demand balance.

Form 912 data are valuable to risk managers, forecasters, and analysts for the purpose of price forecasting and price hedging thus reducing, price uncertainty and cutting the risk premium passed on to the end user in the form or gas prices as well as electric pricing from power generated from natural gas.

Form 913 will be a valuable tool for the same reasons as the Form 912, supply/demand analysis resulting in more accurate price forecasting and price hedging will maximize efficiency of natural gas uses and reduce uncertainty thus smoothing pricing volatility and pass savings on to the end users.

Question C, **"Are there alternate sources for the information and are they useful? If so, what are their weaknesses and/or strengths?**

As pertains to all the forms in the natural gas package, there are alternative sources but they are disparate, non-standard, and incomplete at each of the individual source points. The EIA collection energy data serves as a benchmark for standard data that then can be communicated across the spectrum of industry needs in one common language.

Question D, "Would the information be more useful if published uniformly in Btu rather than volumetrically? Which is the perceived industry standard?

Both can be useful in that volumetric data is necessary for understanding operational concepts of throughput, linepack whereas heat content indicates quality and quantity of energy delivered. Typically market prices and costs are depicted in btus and operational flow, production and deliveries are better depicted in volumetric units.

The two general questions ask:

A: Is the proposed collection of information necessary for the proper performance of the functions of the agency and does the information have practical utility? Practical utility is defined as the actual usefulness of information to or for an agency, taking into account its accuracy, adequacy, reliability, timeliness, and the agency's ability to process the information it collects:

The practical utility of gas data that is collected and redistributed by the EIA cannot be understated. The dissemination of detailed operational data provides buyers and sellers of gas and gas-related products and services with a foundation for sound business decision making which leads to increased economic efficiencies. As pertains to the power markets, natural gas-fired generation facilities account for 38 percent of the US generating capacity and because these facilities primarily operate as peaking facilities, the price of power is most affected by changes in gas supply/demand relationships. Therefore, the EIA is facilitating transparency in the market place that enables a significant sector of the total US economy to operate in an efficient manner and add to the overall quality of the US energy sector.

B: What enhancements can be made to the quality, utility, and clarity of the information to be collected?

We understand from a practical standpoint, some data needs to be kept confidential, at least for some period of time. We would advocate a change from keeping monthly data collected by various forms confidential indefinitely, that is, we would assert that after some more finite period of time, for example 2 years, data could be released into the public domain so that monthly data could be used to create market transparency without affecting the reporting companies competitiveness. Another suggestion would be that confidential monthly data be released in monthly numbers simultaneously with the annual data release. This would provide more detailed analysis to be used for planning purposes on a shorter period of time.

Thank you for the opportunity to comment on this valuable EIA report.

Comments received from The Industry Coalition of Producers - American Petroleum Institute (API), Independent Petroleum Association Of America (IPAA), Natural Gas Supply

Association (NGSA), Domestic Petroleum Council (DPC), National Ocean Industries Association (NOIA), U.S. Oil & Gas Association (USOGA)

The "Industry Coalition," representing both major and independent producers of onshore and offshore natural gas including the American Petroleum Institute ("API"), the Domestic Petroleum Council ("DPC"), the Independent Petroleum Association of America ("IPAA"), the National Ocean Industries Association ("NOIA"), the Natural Gas Supply Association ("NGSA"), and the US Oil & Gas Association ("USOGA"), is pleased for the opportunity to comment on the Energy Information Administration's (EIA's) Request for Comments on the proposed revision and three-year extension of surveys in the Natural Gas Data Collection Program Package [FR Doc. 05-4343]. The Industry Coalition, as detailed below, urges the EIA to reconsider its proposal to eliminate the monthly natural gas reporting in Form EIA-895.

The Industry Coalition appreciates EIA's effort to maximize the utility of the natural gas data it collects from the public, and its assessment of the impact of collection requirements under the Paperwork Reduction Act. The Industry Coalition is concerned, however, regarding EIA's proposal in the Federal Register Notice to eliminate the monthly Form EIA-895 "Monthly and Annual Quantity and Value of Natural Gas Production Report" from state agencies and the U.S. Minerals Management Service (MMS). The Industry Coalition believes the elimination of Form EIA-895 may run counter to the Office of Management and Budget (OMB) terms of clearance for Form EIA-914 "Monthly Natural Gas Production Report" on September 27, 2004 (OMB No. 1905-0205).

The Industry Coalition, in its earlier comments on the monthly natural gas production survey Form EIA-914, urged that EIA increase coordination among the states and other federal agencies to improve the reporting process in the existing Form EIA-895. The coalition indicated that it was more reasonable to place the expense and burden of compliance on a limited number of parties (i.e., producing states and MMS) than to require hundreds of natural gas well operators to duplicate effort and cost. The OMB, in their approval of the monthly Form EIA-914, required the EIA to report on the status of its coordination with the states and the MMS. Also, OMB directed a status update from EIA on Form EIA-895 when applying for a renewal of the Form EIA-914 in September 2007.

Over time, improvements to data reporting processes from individual states and MMS to the EIA on Form EIA-895 may eventually eliminate the need for Form EIA-914 reporting, particularly since Form EIA-895 encompasses *all* natural gas producing companies in the US. Consequently, we believe that EIA should continue its efforts to improve Form EIA-895 and assess whether it should replace Form EIA-914 when EIA considers whether to renew Form EIA-914 in 2007.

In summary, the Industry Coalition appreciates EIA's efforts to improve the natural gas collection process. Given the OMB requirements and likely benefits from EIA-895 data collection process improvements, the Industry Coalition urges the EIA to reconsider its proposal to eliminate the Form EIA-895 monthly natural gas production reporting by the states and the MMS from its Natural Gas Data Collection Program Package.